

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
2003-008

2. STATE
MS

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
July 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.202

7. FEDERAL BUDGET IMPACT:
a. FFY **2003** \$ ~~57,179~~ **0**
b. FFY **2004** \$ ~~23,115~~ **0**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D Pages 22-24

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-D Pages 22-24

10. SUBJECT OF AMENDMENT: **This State Plan amendment is being filed to provide the Division of Medicaid flexibility in establishing a provider review schedule commensurate with prudent monitoring activities as well as agency resources.**

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: **Rica Lewis-Payton**

14. TITLE: **Executive Director**

15. DATE SUBMITTED: **September 30, 2003**

16. RETURN TO:

**Rica Lewis-Payton, Executive Director
Miss. Division of Medicaid
Attn: Rose Compere
239 North Lamar Street, Suite 801
Jackson, MS 39201-1399**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
SEP 30 2003

18. DATE APPROVED:
FEB 17 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL - 1 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: **Charlene Brown**

22. TITLE: **Deputy Director, CMSO**

23. REMARKS: **Pen and ink change to Block #7 2/4/04 m**

may be requested to submit additional information prior to the completion of the desk review.

3. All desk review findings will be sent to the provider or its designated representative.

J. Audits of Financial Records

The Division of Medicaid will conduct on-site audits as necessary to verify the accuracy and reasonableness of the financial and statistical information contained in the Medicaid cost report. Audit adjustments (whether in the provider's favor or not) will be made, if necessary. All adjustments will include written descriptions of the line number on the cost report being adjusted, the reason for the adjustment, the amount of the adjustment, and the applicable section of the State Plan or CMS Pub. 15-1 that is being used to justify the change.

K. Record Keeping Requirements

Providers must maintain adequate financial records and statistical data for proper determination of costs payable under the program. The cost report must be based on the financial and statistical records maintained by the facility. All non-governmental facilities must file cost reports based on the accrual method of accounting. Governmental facilities have the option to use the cash basis of accounting for reporting. Financial and statistical data must be current, accurate and in sufficient detail to support costs contained in the cost report.

This includes all ledgers, books, records and original evidence of cost (purchase requisitions for supplies, invoices, paid checks,

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inventories, time cards, payrolls, basis for allocating costs, etc.) which pertain to the determination of reasonable costs. Statistical data should be maintained regarding census by payment source, room numbers of residents, hospital leave days and therapeutic leave days. Financial and statistical records should be maintained in a consistent manner from one period to another. However, a proper regard for consistency need not preclude a desirable change in accounting procedures, provided that full disclosure of significant changes are made to the Division of Medicaid. This disclosure should be made as a footnote on the cost report and should include the effect of the change.

All financial and statistical records, including cost reports, must be maintained for a period of three (3) years after submission to the Division of Medicaid.

A provider must make available any or all financial and statistical records to the Division of Medicaid or its contract auditors for the purpose of determining compliance with the provisions of this plan or Medicaid policy.

For those cost reports selected for audit, all records which substantiate the information included in the cost report will be made

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available to the Division of Medicaid reviewers during the scheduled field visit, including any documentation relating to home office and/or management company costs. Records of a non-related management company will be made available to support the non-related party status of the management company.

The provider being audited is required to make available within the boundaries of the State of Mississippi, when it is reasonable to do so, all information required for the Division to verify the accuracy and reasonableness of the financial and statistical information contained in the Medicaid cost reports. When the Division of Medicaid concurs with the provider that it is not reasonable to make all necessary information available for review within the boundaries of the State of Mississippi (for example, when the records to be reviewed are too costly to ship compared to the costs of travel necessary travel will be paid by the division of Medicaid. However, if, in the opinion of the Division of Medicaid, the necessary information may be reasonably made available within the boundaries of the State of Mississippi and the provider being audited chooses not to make the necessary information available within the State's boundaries, the provider will bear all expenses and costs related to the audit, including, but not limited to travel and reasonable living expenses, and those costs will not be allowable on any subsequent cost report. Travel expenses and costs will include those allowed per policy issued by the Mississippi Department of Finance and Administration, Office of Purchasing and Travel for state employees traveling on official state business. The provider is required to make available to the Division of Medicaid reviewers, whenever possible, adequate space and privacy for the auditors to conduct the audit.

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